

# Council Papers

a Cooperative Community Council publication

Cycle 6 No 4, January, 1996

## News

Minutes of the  
33rd meeting  
of the CCC

## Features

1967 - An unintended effect  
Cooperatives Legislation  
- Special Report

## Art

Graphics  
Cooperative Experience  
by Christine Zangari

## International cooperative principles renewed

A NEW STATEMENT of the Cooperative Identity was adopted in September by the International Cooperative Alliance (ICA) Centennial Congress in Manchester, England. The Congress accepted the recommendations of the Board on the Statement, which was subsequently adopted by the General Assembly, the highest authority of the Alliance.

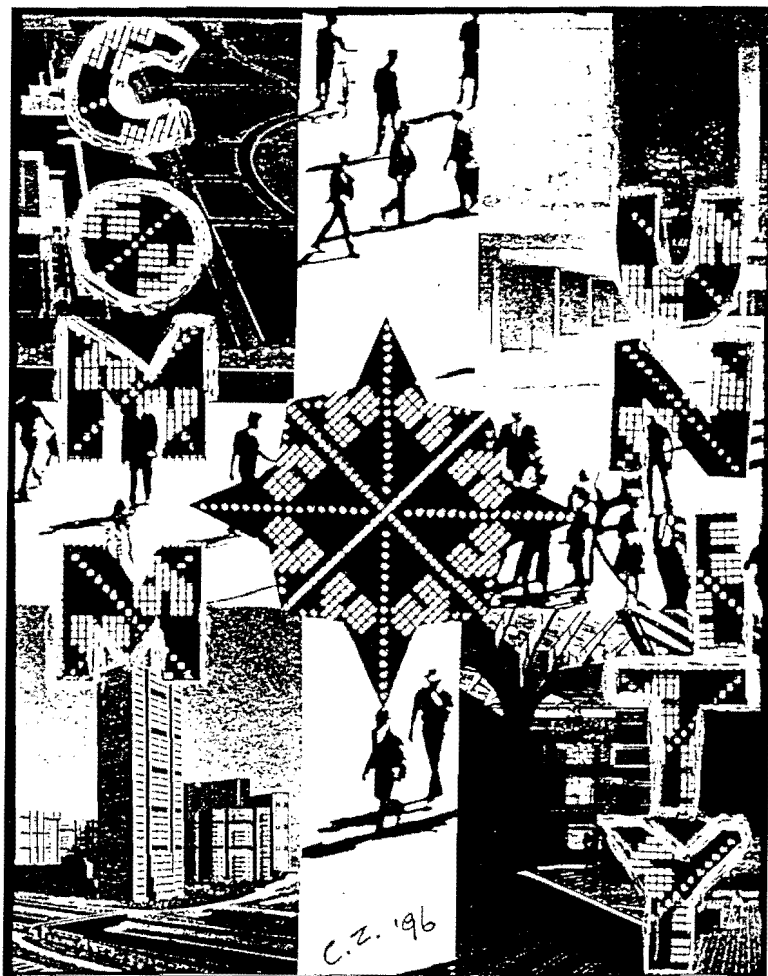
The new statement is the result of a process that began eight years ago at the 1988 Congress in Stockholm, Sweden. The first part of the process was complete when the Cooperative Values report by Sven Ake Book was received at the 1992 Congress. A primary reference group of six was set up to translate these basic values into principles as a basis for actual implementation. In addition a questionnaire was circulated to many cooperatives worldwide and their responses received.

An advisory committee of fifty eminent cooperators was constantly consulted. Many regional and national events were organised and reports fed into the mainstream project.

There are a number of key improvements in the new statement of identity and principles. Principle among them is the placing of the principles in the context of a statement on cooperative identity. This is the first time in the history of the ICA that it has been possible to reach an acceptable definition of a cooperative.

### Important developments in the new statement

- ◆ Inclusion of the term "self-responsibility" which embodies an important part of the cooperative value system.
- ◆ Reference to "the tradition of our founders".
- ◆ A deliberate effort to ensure that the principles are applicable to all kinds of cooperatives, not only to consumer cooperatives.
- ◆ A flexibility that allows variation in the behaviour of every cooperative but demands a certain minimum standard of behaviour.
- ◆ The subtle intertwining of the principles, proposing a broader view and approach.
- ◆ Stressing the centrality of the member.
- ◆ Clearly affirming the autonomy of cooperatives and particularly the capacity of members to control their own organisations.
- ◆ Recognising indivisible reserves as reflecting the truth that at least part of the assets is usually the common property of the cooperative.
- ◆ The spelling out of obligations of cooperatives towards their communities.



## Cooperation on the Internet

The Internet and how it can spread the cooperative message was the major theme at a communications conference held in Manchester in conjunction with the ICA Centennial.

The conference was an opportunity for the ICA to demonstrate the recent progress in its Internet project, including the Co-op Gopher, a type of on-line information bank, which ICA has set up in collaboration with the University of Wisconsin Centre of Cooperatives in Madison.

Director of Communications of the ICA, Mary Treacy, says this electronic information bank is already very popular with US students and receives an average of 4000 'hits' per month.

Increasingly, co-op organisations throughout the world are making use of the Internet to communicate by e-mail or to obtain and diffuse information about the cooperative movement.



# The minutes of the 33rd meeting of the CCC

held December 2nd,  
1995

at the Red Hill Paddington  
Community Centre, Bardon,  
Brisbane

Attendance: Anthony Esposito, Christine  
Zangari, Allan Halladay, Paul Monsour

Apologies: Jill Jordan, Jan Tilden, Ann  
Jupp, Peter Pamment, Kerry Petherbridge,  
Merv Partridge

Facilitator: Christine Zangari

Minute-taker: Anthony Esposito

## Agenda

1. Minutes of the 32nd meeting
2. Cooperative education events review
3. The '96 co-op education weekend
4. Legislative change matters
5. Cooperative enterprise project and kit
6. Correspondence

## Acceptance of the minutes of the CCC's 32nd meeting

Acceptance of the minutes of the CCC's  
32nd meeting was deferred to the 34th  
council in February due to a lack of quorum.

## Council Papers

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published bi-monthly by the Secretariat of  
the Cooperative Community Council. The  
Council Papers are open to submission of art  
work and articles from members and associ-  
ates. Views expressed in the Council Papers  
are not necessarily the views or policies of  
the Council. The Council reserves the right  
to select content. Contact the Secretary on  
07 3366 7089 or by mail at CCC Secretariat,  
59 St Johns Ave, Ashgrove, Brisbane, 4060.*

## Committee set to organise education event

A coordination committee was formed to  
ensure the organisation of the CCC's 1996  
Cooperative Education Weekend. The com-  
mittee consists of Paul Monsour, Anthony  
Esposito and Christine Zangari. They are to  
develop organisational 'mechanisms' that  
address the need for cooperative commu-  
nity participation in the design and running  
of the event. Also, the results of the review  
survey are to be incorporated into planning  
and development.

If possible, the proposed timing of the  
event was the May Day Long Weekend. The  
main reason being that a three day event  
will be scheduled that provides an intensive  
education programme on the Saturday, a  
more open programme on the Sunday and

a completely free day on the Monday.

The committee will seek to form a work-  
ing group to carry on the main functions in  
organising the event. It is agreed to seek  
members for the working group that in-  
clude representatives from the Maleny co-  
op community and young cooperative work-  
ers who could benefit by skills develop-  
ment. As the weekends are run voluntarily  
it is agreed that it is important to share the  
load.

The working group will be responsible for  
setting the programme and ensuring that  
likely participants will be able to influence  
the shape of it if they wish. They will also  
handle the promotions and networking,  
and find session presenters.

## Cooperation on the Internet

continued from page 1

CWS announced in Manchester that it  
would be making a web-server available  
to ICA and its member organisations. ICA  
already has its home page available  
on the server. Early next year these pages  
will be expanded to include home pages  
on the organisations which have already  
contributed information to the ICA Go-  
pher.

Mary Treacy stresses that the ICA strat-  
egy should be backwards compatible so

that the new technology does not widen  
the gap between rich and poor member  
organisations.

Source: Phil Anzeze - ICANEWS.

The ICA e-mail address is:

[icageneva@gn.apc.org](mailto:icageneva@gn.apc.org)

The ICA/UWCC Co-op Gopher is:

[gopher://wiscinfo.wisc.edu:70/11/info-  
source/coop](gopher://wiscinfo.wisc.edu:70/11/info-source/coop)

The ICA Web Home Page is:

<http://www.co-op.co.uk/ICA/>



The Cooperative Community Council's

1996 Cooperative

Education Weekend

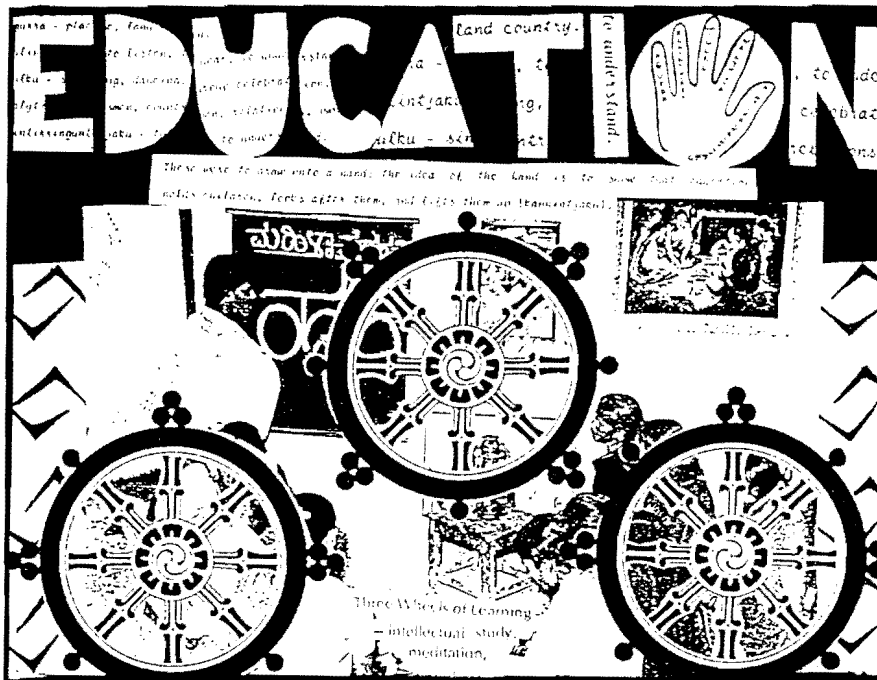
Friday April 26th to Monday 29th at the  
House of Happiness, 6th Ave, Woorim, Bribie Island

The organisers would like to hear from people interested in working on  
the organisation of this event.

Opportunities exist to be involved in programme development,  
promotions and networking, and session presentations.

Contact Paul on 07 3367 3651; Anthony on 07 3366 7089 or  
Christine on 07 3366 5943 for information and offers of help

# Growth needed in cooperative education and training



## The Cooperative Education Events review and survey

CHRISTINE ZANGARI REPORTED her analysis of the survey results from the education events review. Applying consensus principles as a starting point, she indicated that 'disagreements' should be noted and explored.

She said that while there is definitely a strong majority "for things going on as they are", there are some "calls for change in the existing order".

Christine found a strong correspondence in the survey between long term attendees, who were also presenters or organisers, and calls for change. Long term attendees, people who had attended most or all of the ten events, accounted for nearly half (45%) of the responses.

Results from this group were not conclusive and so not sufficient to suggest a particular course of action without further discussion in the council and at the weekend forums. However, they did not suggest opposition to the majority view, in fact there is still strong support for the events from this group.

Christine said it needs to be seen that there are particular educational needs for people who fit the long term category. "What it does indicate is that the trend for change is coming from the long term attendees. This may indicate a need to develop some specifically targeted events in education or training which could well be addressed through Community Works".

Another interesting result was that all people who said they were willing to increase costs to pay for presenters or better venues were themselves past presenters and organisers. Also of note - best times for scheduling the events were the three months March through May, or September.

Christine said: "Clearly the education event is one that works for people and as a community self-organising event it can continue. It would seem the 'smorgasbord' approach is entirely acceptable to the newer attendees". It was accepted by the council that there is no push for change to these events other than minor reforms.

The council agreed that it was possible to accommodate many of the specific needs and interests expressed in the survey within the existing framework of the weekends. This simply requires a stronger delineation between aspects of the programme to more closely service differing needs.

It was resolved that such things as preferences for shorter or one day education- and training-specific events, as against longer events with a focus on social gathering, were not mutually exclusive.

A format for the next event was designed and referred to the coordinating committee. It encompasses an intensive education programme on the Saturday (as a one day option), a more open, cultural programme on the Sunday (probably a half day) and a free day on the Monday.

Christine's analysis confirmed the first impressions of the council and the course of action resolved at the last meeting. It is apparent, she said, that "other avenues for education and training can be explored. Results can be interpreted to suggest that the council explore other avenues and look to create new events, quantify resources and how best to use and maintain them, explore content and format options, create both a broader and more specifically focussed programme of events, and source funding for development of this".

Anthony presented three avenues that he was aware could be explored for new events. The first is the CCC annual meeting in June. He suggested that the format of the meeting could be widened to include an advanced educational component, possibly with a guest presenter. This would start to address the requests for additional, shorter education events and service long term attendees, many of whom are members of the council.

Second, he said that when Community Works incorporates it will plainly present an option for educational development. This project will build on the work of the cooperative education strategy group over five years in which it identified education and cooperative development requirements and ran the initial Community Works series of workshops, seminars and focus groups.

Third, he received an expression of interest when at the Co-ops Key Issues Conference for a national or interstate 'community co-ops conference'. This was from Anthony Jensen of the Cooperative Enterprise Project who was interested to see such an event centred in our region because of its model development. This is a possibility requiring a lot more thought and effort, but one that would be of major significance if it could be realised.

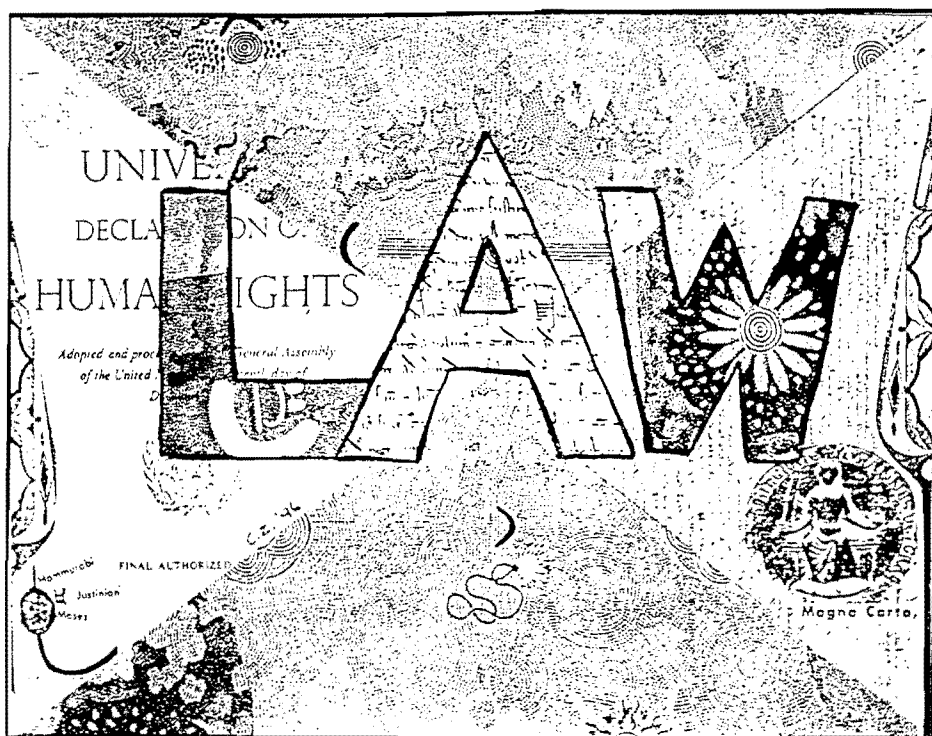
Anthony also pointed out that the New South Wales co-op registry is producing a yearly calendar of meetings, educational activities and so on. Some of these activities are open to people from our community to attend. Allan said he was pleased to see the way the New South Wales scene is coming alive and effecting a good balance and openness.

The council agreed to continue calling for expressions of interest in developing new events.



## Cooperatives law change - special report

# Interest increasing for cooperative legislation reform



ANTHONY ESPOSITO REPORTED some developments in the council's work towards legislative change for cooperatives.

In October the council received a response to its questions sent to the Queensland Attorney General on reform of the regulatory structure of cooperatives. It simply stated that the matters, although informed by the work of the Standing Committee of Attorney's-General Working Party on Consistent Cooperatives Legislation, were "within the administrative responsibilities of the Honourable Ken Davies MLA, Minister for Emergency Services and Minister for Consumer Affairs". Administration of general cooperatives has been under Consumer Affairs since July 1995.

A copy of our letter was referred to Mr Davies and the council received a reply in November. Mr Davies advised: "The Standing Committee of Attorney's-General Working Party on Consistent Cooperatives Legislation (SCAGWP) has no direct input into any proposals for new cooperatives legislation in Queensland or the repeal of the *Primary Producers' Cooperative Associations Act 1923* and the *Cooperative and Other Societies Act 1967*.

"Presently SCAGWP has been considering the "interstate division" option but no decision has been made as to whether this course will be adopted. Your concerns about this approach have been noted"

Mr Davies then went on to say that an "in principle" decision has been made "to transfer the administration of the *Primary Producers' Cooperative Associations Act 1923* to my Department and it is expected that this will be finalised in the next six months. When this has occurred further consideration will be given to introducing new cooperative legislation and any determination regarding consultation with interested parties will be made at that time".

Anthony pointed out that a question mark now hangs over the process as Mr Davies was the member for Mundingburra in which a new election has been ordered that may determine whether there is a change of government.

As a result of this correspondence to the Minister the registrar, Mr Paul Kerr, was informed and he contacted Anthony suggesting he get in touch with Jim Howard, Director (Consulting) with the Cooperative Federation of Queensland (CFQ). Mr.

Howard is responsible for the CFQ's programme for legislative change. A number of conversations have taken place between Mr. Howard and Anthony, as CCC Secretary, and a dialogue on legislative changes has begun positively.

Mr Howard said the CFQ's strategy was to build a broad movement approach to change the whole Act. He said that individual amendments pursued by particular interest groups in isolation would not succeed in the present climate. He said both Victoria and New South Wales have reviewed and overhauled their Acts but there has been no reviews in Queensland for quiet some time. The CFQ is pushing for this. Mr. Howard asked for information on the CCC's work on legislation issues and offered to share details of the CFQ's position.

Papers were subsequently exchanged.

Anthony sent a letter and some documents as requested. The letter explained the development of the CCC and its early connection to the Cooperative Federation of Queensland.

The documents included several articles that had appeared in recent Council Papers and an issues paper prepared in late 1992 by the council's legislation working group.

The council received a draft "commercial in confidence" document, titled *Cooperative Enhancement Project Comments*, from Mr. Howard.

This is a paper commissioned by the CFQ and prepared by Mr Howard's company James Howard and Associates. It is a point by point review of the New South Wales Act and its applicability to Queensland. It also takes into account a wide range of current literature and debate on cooperatives legislation in Australia.

Mr. Howard has said that the CFQ views the New South Wales Act as a suitable model, a position also held by the council. The council discussed some specific areas of relevance in the document and expressed its in principle support for the positions suggested by Mr Howard.

The council proposed that a meeting at some time between Mr Howard and the council, or at least members of the legislation working group, would be desirable.

# The Cooperative Federation of Queensland looks at changes to cooperatives' Acts

THE COUNCIL HAS indicated support for the direction currently being taken by the Cooperative Federation of Queensland on legislative change in Queensland.

The general approach, outlined in the draft Cooperative Enhancement Project document by Jim Howard, is that both Queensland Acts "need to be repealed and replaced by one new Act and that needs to be consistent with the New South Wales Act".

The New South Wales Act and regulations have been reviewed in their entirety and further considerable time has been spent on all the other Acts, Bills, Submissions and various documents.

"It is time to put our position in a way that is likely to be most effective and practical to both Government and industry", Mr Howard states.

The draft document suggests that "Government is now unlikely to welcome any attempt to re-invent the New South Wales Act and certainly will not spend enormous amounts of time negotiating the implications of Corporations Law, [the] Trade Practices Act and the Taxation Act".

In support of the need for change Mr Howard cites the Brady report into Non-Bank Financial Institutions which commented in 1990 that "the committee understands that, since 1982, successive Ministers have undertaken to review and update the Cooperative and Other Societies Act, but that this has not yet occurred.

"The committee lends its support to the proposal that the legislation under which cooperative societies work should be reviewed to bring it up to date and to remove restrictions which are no longer necessary".

Mr Howard identifies eight key issues. These are capital raising, owners equity, management, taxation, cross border cooperation, registration, membership and voting rights.

On capital raising he proposes to "enhance the NSW situation by seeking greater clarity in the Fundraising and Capital provisions.

This would be one of the most important innovations in a new Act. "The major change sought is to have a major category of Capital / Fundraising powers called Cooperative Capital Units as in NSW."

As Mr Howard states: "This is a new form of capital for a cooperative designed to permit the holders to share profit and risk in

the cooperative without gaining any of the benefits of membership or contravening cooperative principles."

He quotes recent literature when he says a Cooperative Capital Unit (CCU) is "probably best described as something between a share and a loan, which may have a variety of rights according to the terms of issue authorised by a particular cooperative.

"The holder of the CCU is not a member of the cooperative, although the holder may have certain rights which resemble the rights held by members. The holder of a CCU is not a creditor (in the traditional sense) of the cooperative, although the holder may have certain rights which resemble the rights held by a creditor.

"A cooperative which wishes to issue CCUs as a means of raising non-member equity will itself decide, subject to the overall approval of the registrar, on the precise terms of issue."

The document cites Ian Langdon who has said: "The structure and terms of CCU's is only limited by the imagination of the boards and managements that issue them".

Mr Howard says the changes sought on owners equity would "enable more flexible and fairer arrangements in relation to inactive "dry" shareholders by enabling them to roll over their funds into any of the new categories of fundraising without voting rights."

It is proposed, he states, to continue "cooperative principles with the emphasis on "active" members defining policy in the rules and only members having equity shares and voting control."

The document gives clear emphasis to a number of things of import such as maintaining, not diluting, cooperative principles, a spirit of self-regulation coupled with 'exception reporting', strong and fair disputes resolution provisions and protection against oppressive conduct, cooperative-specific taxation status, streamlined registration allowing for standard rules in substitution of the model rules, plain English drafting, and other provisions based on the clear difference between cooperatives and companies.

There are many common law or obvious provisions accepted as necessary and appropriate in today's legal and commercial environment.

These are covered under provisions for formation of cooperatives, legal powers, membership and active membership, rules,

shares, voting, management and administration, funds, property, and supervision and protection of cooperatives.

Mr Howard concludes by saying: "Cooperative principles require control to be vested in its members. This should be accommodated with all the Community safeguards exercised and reserve powers in the registrar but it should be done on an exception basis.

"All reporting, and compliance requirements, should facilitate deregulation and the elimination of red tape.

"Cooperatives do not live in the days of the dinosaur", the draft says, "and have proved far more cost effective to their members than the cost of serving capital investors who will move anywhere in the world to make money at participants expense.

"The New South Wales Act is the latest model and we require the latest version.

"Let's welcome further comment to add to our contribution. It is essential to have representatives to observe and facilitate the development and implementation of a new Act."

## Legislative change issues

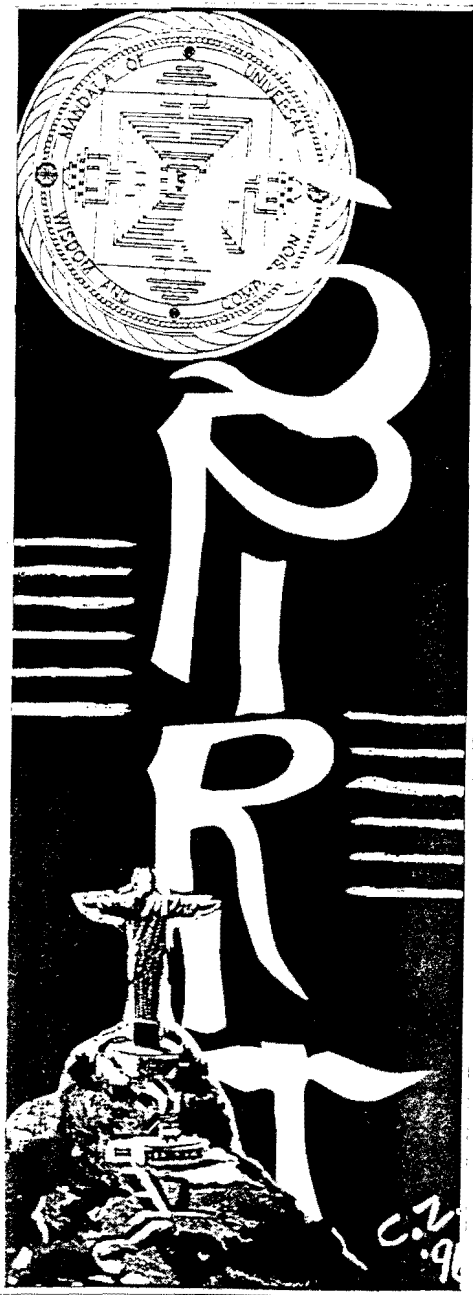
The list of issues under consideration by the council since 1992 include:

1. The appropriate number of members required to form a new cooperative.
2. A definition of a "type" and "objects" for worker or enterprise co-ops.
3. Caution against any changes in legislation that may prejudice co-ops that are either;
  - i. new
  - ii. small and / or
  - iii. have small resources.

Effective and positive provisions need to be included and differentiation made based on economic and social criteria: for example the "Primary Producers Co-ops" white paper with proposed differing fiduciary or auditing standards for coops depending on asset size etc.

4. Drafting of legislation in common English.
5. The possible negative effect of the Non Bank Financial Institutions Report. Appropriate capital, deposit and loan powers to be retained to enable suitable self-funding and ethi-





## Legislative change issues

from page 5

- cal investment mechanisms. For example by having a suitable formulae based on a percentage of assets, with possible registration of financial interests.
6. The effect of changes to the Corporations Act on the share purchase provisions of Cooperatives.
  7. Other Programmes
    - i. Introduce advisory role into registry;
    - ii. Institute development arm into registry, eg coordinate training programmes and provide development funds;
    - iii. Advisory Council having more of a judicial role eg to approve variations to practice under the Act;
    - iv. Interstate cooperation between government agencies.
  8. Other Issues: For example, the development of "model rules" for community cooperatives.

## Miscellaneous Notes

### Credit unions news

A Courier Mail item stated recently: "A long-held notion that credit unions were generally cheaper than banks for personal loans has been confirmed by a survey on consumer lending from the Australian Consumers Association". The survey found that "credit unions offered rates between 1 and 2 per cent less than the banks on personal loans".

The ICA News reports that the Australia National Credit Union Association Inc has become a member of the international body, the International Cooperative Alliance.

### Cooperative enterprise project kit

Anthony Jensen, of the Cooperative Enterprise Project based in Sydney, is working on an information kit for the federal Department of Employment, Education and Training (DEET).

He is seeking the council's contribution to the kit's development. He is willing to visit a forum of the council.

This is to be arranged and it is agreed that the most suitable date will be the next (34th) council meeting.

### Notice - 34th CCC meeting

February 3rd, 1996, at 1:00pm at the Maleny Credit Union, Maple St, Maleny  
Lunch is at 12 pm at the Upfront Club, Maple St, Maleny

## Legislative change issues

### Political considerations

1. What kind of change is appropriate to pursue? Theoretically, the options appear to be:
  - i. Incremental change based on an accommodation of new community cooperative initiatives within the present Act - that is amendments.
  - ii. A redrafting of the Act to update and consolidate cooperative practice across the range of cooperative activity - that is, reform.
  - iii. Development initiatives to shift the balance of power in the advancement of cooperative and community action.
2. What are the political and social interests surrounding the Act, or who does or can effect the enactment and regulation of cooperative law? These interests may include:
  - i. Cooperatives' associations such as the CCC and the Cooperative Federation of Queensland (CFQ).
  - ii. The Registrars of cooperatives, both Societies and Primary Producers.
  - iii. Various Ministries, particularly Consumer Affairs and possibly including Attorney-General, Justice, Treasury, Primary Industries, Local Government and Housing, Family & Community Services, Employment, Vocational Education & Training.
  - iv. The Local Government Association
  - v. Federal department of Employment, Education and Training.
3. What are some contemporary considerations of organising for change to cooperatives law?
  - i. Such current issues in the political community as work and unemployment, local employment and economic development, community advantage and social justice, environment et cetera.
  - ii. Strategies need to be determined according to time frames, political alignments, energy commitments, research and development capacity, locally based activity, information gathering ability, short and long term goals, and conferences and media to carry debate.
  - iii. Cooperatives have a low profile and and little or no influence in determining the electoral politics which drive government decision making. This needs to be changed by showing their value when addressing a major issue such as jobs, community development, local enterprise and so on.
  - iv. Community is essential to the empowering, commitment, development and enterprise of cooperatives. Creating a working definition and models of community and redefining community services at the government level would be a major contribution to political progress. Community concerns need to be made central to issues of economic power and the environment, to effect the broad changes necessary.
  - v. Timing is of the essence to any strategy. Attempts at political change must recognise both the focus generated by elections and the influence that political movements can gain at critical moments in development.

# International cooperative alliance

## Statement of the cooperative identity

### Definition

*A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through jointly-owned and democratically-controlled enterprise.*

### Values

*Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.*

### Principles

*The cooperative principles are guidelines by which cooperatives put their values into practice.*

#### 1st principle

#### Voluntary and open membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### 2nd principle

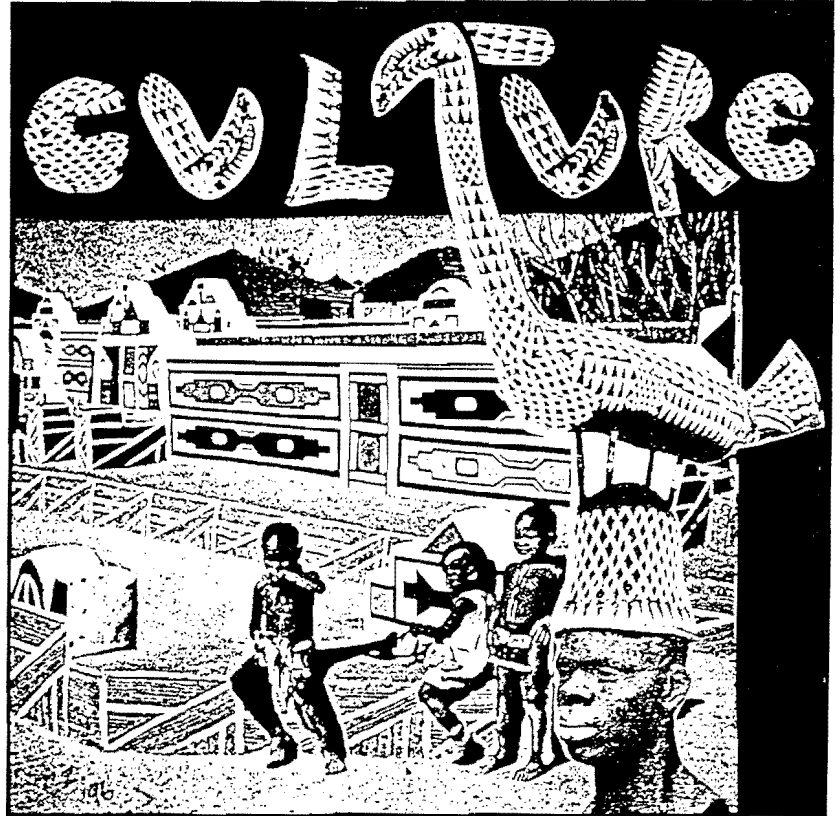
#### Democratic member control

Cooperatives are democratic organisations controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

#### 3rd principle

#### Member economic participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of the capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.



#### 4th principle

#### Autonomy and independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

#### 5th principle

#### Education, training and information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

#### 6th principle

#### Cooperation among cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

#### 7th principle

#### Concern for community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

**December****1967**

## An intended effect?



**THE PLACE:** THE Queensland Parliament, George St, Brisbane. The year is 1967. It is December 1st. Dr. Delamothe, the member for the electorate of Bowen and Minister for Justice, moves that "a Bill be introduced to consolidate and amend the law relating to societies employing the principle of cooperation and for other purposes". What those other purposes are is to become the subject of debate carrying through the enactment and leaving a question for a new generation of co-operators to contemplate some 29 years later.

Dr Delamothe begins his legislation initiation speech. "Within 14 years of the establishment of the Rochdale cooperative there was a cooperative operating in Queensland", he says. "That is significant because of a lack of communication in those days. For those who are interested, I might mention that it was situated at the top of Queen St. The signifi-

cant feature about it is that it was the first cooperative in Australia. It was registered three months before Queensland was separated from New South Wales. Queensland also has the distinction of being the State that passed the first cooperative Act in Australia. It was the Primary Producers Cooperative Associations Act of 1923", he informs the house.

Continuing his brief history he says: "It will be remembered that there was a big surge of interest in cooperatives in the post-war years. This is when the Cooperative Federation of Queensland was formed and the Government's Cooperative Advisory Council was established. It was a period in which credit cooperatives were formed and housing cooperatives were introduced".

His concern now is a new surge in interest. In the previous few years there had been an increase in the number of cooperative registrations. The increase had

been brought about by the emergence of "mutual buying groups", of which there were 685 compared with 119 ordinary cooperatives. Total registrations had gone from 89 in 1964 to 804 in 1967. Because the development of these societies had accelerated to such a degree a close examination was made of the law governing co-operators.

Delamothe justified new legislation by stating: "It was agreed on all sides that the present cooperatives Acts - which do not provide specifically for credit unions and mutual buying groups - fast-developing forms of cooperative enterprise... should be overhauled completely".

He had decided that a modernisation of cooperative law would best be obtained by repeal of the Cooperative Societies Act 1946 to 1962 and the introduction of a new Act. The new Act was supposed to retain the best features of the repealed

Act and adopt practical reforms from other states, in particular NSW, which had only recently introduced a new, comprehensive cooperative Act.

Delamothe outlined the ten parts of the new legislation covering some 118 clauses. "The Bill is presented as a comprehensive measure designed to assist the principles of cooperative enterprise in accordance with modern commercial practice" he told the house.

Under questioning he signalled his intention to have a second reading before Christmas. This was to become a point of contention between the Government and Opposition. Both because of the amount of time allocated to the debate in the midst of a very busy legislative schedule and that fact that the Bill had not been printed and so had not been seen by the Opposition and, some would admit, by members of the Governing Party itself.

Mr Houston, the member for Bulimba and Leader of the Opposition introduced his Party's stance. He said: "The Opposition is completely in accord with the cooperative movement. We believe cooperatives are necessary; we believe they are run efficiently; and we believe that they are held in high public esteem. Therefore we accept a cooperative Bill and will do what we can to encourage those who want to foster this type of movement". However, he said, "we are not satisfied that the Minister is giving the Opposition sufficient time between now and when Parliament rises for the recess to completely look at, investigate and consider 118 clauses of a Bill that consists virtually of new legislation".

At the time of the second reading Houston would say: "It would take us more time than has been available to send this legislation to other parts of the State and to other States to obtain the views of those who could be of assistance to the Opposition. Neither the Opposition nor the people of this State have been given a fair go".

Mr Hanlon, Opposition member and MLA for Baroona reinforced his leaders position and hit upon an issue that was to become crucial to those opposing the passing of the new Act



without further consultation and deliberation. He said: "The encouragement of cooperatives and the expansion of the cooperative movement has always been an important plank in the platform of the Australian Labour Party. It is desirable that the Bill not be rushed through and that we should have a clear indication from the Minister on whether the Government is dealing with the Cooperative Societies Act or is simply trying to restrict buying outside the normal retail channels. I think the Minister should tell us whether he is in fact trying to restrict what he considers to be unwarranted purchasing outside ordinary retail outlets in the commercial field. If so, I think his examination of the problem should extend much beyond singling out cooperative organisations, even though their number has grown quickly to 685".

The new Bill proposed, for the first time in Australia, raising the number of persons required to form a cooperative from 7 to 25. The reason given was primarily to restrict mutual buying groups, which until then had been referred to as cooperatives. The new Bill would also prohibit the use of the term 'cooperative' by these groups.

Mutual buying groups, along with credit unions, trading societies, community advancement and settlement societies and investment societies, were classified under the Act for the first time, mirroring a New South Wales reform. Mr Wharton, a Government member from Burnett stated support for this measure: "Dividing the groups into various categories is, I think, essential for the cooperative movement".

Houston began a line of questioning: "What would be the minimum number in each one?"

Delamothe: "Seven at present, but the new Act will increase the number to 25."

Houston: "There will not be any cooperative of 25 members irrespective of the type or name?"

Delamothe: "No ... We will put a line under them and start afresh. Every new one, from now on, must have 25 members ... The increase to 25 should not hamper the establishment of a society, but it should do much to

ensure that it has a stable foundation and reasonable prospects of success".

Houston: "Do you suggest that those with seven members have not been successful?"

Delamothe: "Over the years quite a number of cooperatives have failed. One of the reasons has been that they have had only a handful of members."

Mr Murray, a Government member from the seat of Clayfield said: "Whether these groups should be abolished or reduced in number is a matter of Government policy; it is also a matter of Government policy whether the Government believes that it must retain a strong structure of retail administra-

for Government members to say that they do not know what is in it in the light of the report in yesterday's "Courier Mail". The statement in the "Courier Mail" makes what has been said on the Government side of the Chamber completely ridiculous. It reads - *"The legislation was approved yesterday by a joint meeting of the country and Liberal parties."* Before that, it states - *"Nearly 700 buying groups, some with as few as seven members, will be affected."* On 15 November, 1967 another report appeared in the "Courier Mail". It said - *"A controversy is developing within the State Government parties on small collective buying*

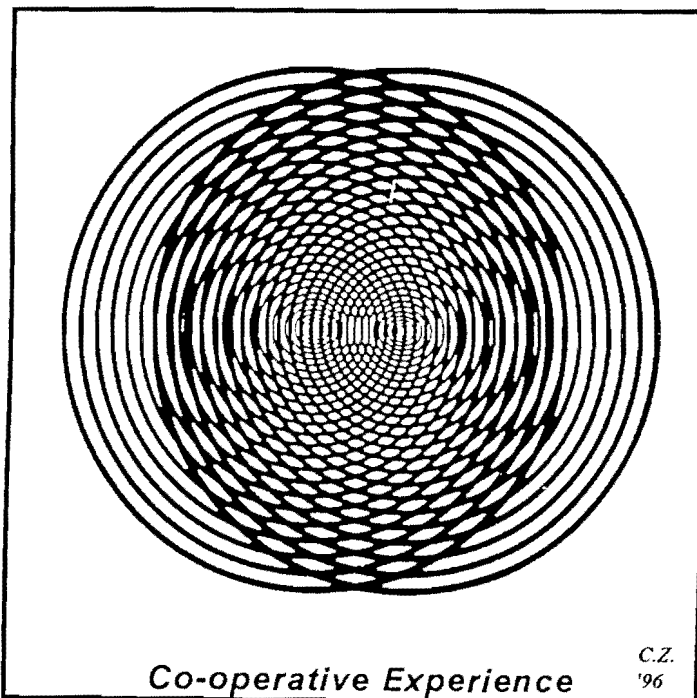
erative" a contrast with its own activities. I think that is the key to the situation" O'Donnell said.

His colleague, Mr Walsh, member for Bundaberg, carried the argument further, highlighting the party political aspect: "The Primary Producers Cooperative Associations Act was introduced in 1923 with the object of protecting the farming community ... [A] number of primary producers in various industries have availed themselves of the opportunity of becoming members of cooperatives under legislation passed by a Labour Government. New legislation was required as time passed, and the Cooperative Societies Act was introduced by a Labour Government to meet the situation and cover activities other than primary production.

"A [Country Party] Government backed very strongly by the Liberal Party, which claims that it represents private enterprise, in this instance seeks to establish a principle that will take away the right of the individual to become a member of a group ... People are going to be denied this opportunity because there has now developed within the trading section a pressure group which seeks to put pressure on primary producers, who are struggling on low incomes against high prices for all their commodities and cannot see much future ahead of them".

One of the most forceful arguments was to come from Mr Bennett, the member for South Brisbane. He charged: "It seems to me, from a close consideration of what the Minister said, that the real principle of the Bill is to kill cooperatives, and one of the ways in which this is to be done is by increasing the minimum number of shareholders from seven to 25. The number of seven shareholders was fixed at seven in the early days of the cooperative movement - I think it was in 1844, when the first cooperative was formed - and cooperative organisations have been successfully launched and floated since that time with a minimum of seven members.

"What is the real reason for increasing that number to 25 ... If seven people pool their resources and, for their own ben-



tion". Murray seemed to give the game away when he said: "I think the difficulty of controlling the growth of the cooperative movement is demonstrated by the objects [in the Taxation Act]".

Houston: "You want to control the growth of the movement now. Is that what the minister is trying to do?"

Murray: "He is certainly trying to control the growth of the mutual type of cooperatives".

Mr O'Donnell from the Barcoo electorate responded: "I think that this debate has become rather amusing. Government members have said that they do not know what is in the Bill. Naturally Opposition members do not know what is in it; but it is nothing but sheer hypocrisy

groups. Loosely called 'cattle-men's cooperatives' they can have as few as seven members."

"Let me turn now to the groups of seven ... Is it not possible to form a company of five and have manufacturers deal with that company? I do not know of anything that would debar them from operating if they abided by the statute, paid the necessary fees, and did what ever else was required. But the number "seven" now becomes significant. Instead of being "lucky seven", it is "unlucky seven". We realise, of course, that the setting up of these small groups has created a problem not so much for the country store as for the country cooperative store because it sees in the other groups that use the term "coop-



## Communications

### Correspondence

THE PERIOD SINCE the last council meeting has seen a number of letters and calls received or sent. Letters were tabled and discussed where appropriate. Where relevant, details are published in the Letter pages of these Papers.

There was a letter from Jane Curtis of the Queensland University Student Union Food Co-op thanking us for our offer of support. Two letters were subsequently sent - one to the new Student Union executive and one to the University Credit Union.

There was a letter, somewhat critical of the CCC, from S. Hollingsworth. The council decided to send a reply to clarify several misunderstandings and to end communications from the council pending further contact from Stephen. The reply was to be brief without responding to perceived 'subjective content' and 'negative feelings', while offering the option of continued dialogue.

A letter was sent to Jim Howard of the CFQ to inform him of our work on legislative change issues. In exchange Jim provided us with a copy of work that he is preparing for the Cooperative Federation of Queensland on the same subject. (See the item on legislative change in this issue).

A letter was sent to Gary Cronan of the New South Wales Registry advising him of the work of both the CCC and Community Works and including co-op education event Session Papers and recent Council Papers. The letter also stated: "Given the work we [CCC] are doing in Queensland on legislation, education, networking and so on, and the strong developments that have been taking place under your management in New South Wales, we would find it very valuable to maintain contact and have your ideas and support if possible."

A letter was received from the then Minister for Consumer Affairs and member for Mundiburra, Mr Ken Davies, MLA, on the prospects for new cooperatives legislation and seeking consultation with interested parties. (See the item on legislative change in this issue).

A letter was sent to Shari Walsh, Secretary of the Bardon Parish Credit Union, in response to her call seeking more information about the activities of the council for her Board. She said that the Credit Union is interested in becoming an associate.

A letter and a set of Council papers were sent to the ICA, placing them on the mailing list for free Papers.

Letters were sent to all associate co-ops advising them of the coming meeting, requesting that they "nominate a delegate to speak on the co-op's behalf when attending meetings" and extending an offer to have the Secretary talk to a meeting of their respective boards. Similar letters were sent to other co-ops on the free list.

## Letters

### UQ Uni food coop support

*To the CCC*

Thank you for the Cooperative Community Council's letter supporting the efforts of the UQ Food Co-op Collective.

Your offers of help are much appreciated. We would be grateful for:

- ◆ a Cooperative Community Council letter of support for the Food Co-op direct to the University Credit Union;
- ◆ a Cooperative Community Council letter of support for the Food Co-op to the UQ Student Union Executive.

We are interested in your offer of assisting community works to advocate support for the Food Co-op but we are a bit unclear as to what this means, so some clarification of this suggestion would be appreciated.

Finally we are keen to apply for funding from government bodies and gaming funds. A general letter of support for the Food Co-op for this purpose would be excellent.

Thank you for the invitation to attend the Cooperative Community Council's bi-monthly meeting. With exams nearly upon us, we are unable to make it. Hopefully when the semester ends, we will be able to attend and discuss lots of things!

Thank you again for your letter. It really cheered us up!

*Yours in cooperation  
Jane Curtis, on behalf of the UQ Food  
Co-op Collective*

*14 December, 1995*

*University Credit Union Board*

*Dear friends,*

We are writing in support of recent efforts to form a food cooperative on the campus of the University. The council has had a number of discussions with people connected to this initiative. We ask that you give thought to a supporting role for the Credit Union.

Our reports are that a considerable amount of ground work has been achieved to advance the start-up of this enterprise. We have heard that support for this initiative from the Student Union Executive has now been withdrawn. We have written to the student Union asking that they reconsider.

The council considers that a food cooperative operating on campus with the support of the Credit Union, the Student Union and other interests from the University community would provide a valuable service and be well supported.

We are of the shared view that cooperatives, when properly established and supported by a cross section of a community, are essential in demonstrating a commitment to democracy, economic and social

justice and care for others.

A University food cooperative as proposed would, we think, fulfil a number of important functions:

- ◆ It can provide an essential service by providing basic foods at reasonable prices and with easy access.
- ◆ It can assist in the transition to sustainable agriculture and therefore improved environmental outcomes by creating another market outlet for organically grown produce.
- ◆ It can provide a focus for people working together in a way that increases a spirit of community and breaks down arbitrary and destructive divisions.
- ◆ It can provide a working model that could be used to educate about community development, economic and community democracy, business management, decision making, marketing and so on.
- ◆ It can create employment and work experience opportunities.
- ◆ It can add a positive element to the campus culture.

Cooperatives are something that can and should be supported by people of a wide range of persuasions and policies. They can be community institutions that enable the expression of diversity and the reconciliation of differences.

We encourage you to support the working group in their efforts to see a food cooperative started for the benefit of the University community.

*Regards, the CCC*

*Note: an amended copy of this letter was sent to the Students Union Executive asking also that they reconsider support for the Food Co-op.*

### Getting it right, or left.

*The CCC,*

I've just received the latest council papers and not meaning to be rude I have a few comments to make.

1. I don't consider myself the Granite Belt Correspondent for the CCC. I am not a full member of the CCC. And given the conditions of entry as they presently stand it's doubtful that I will become one.

2. GBOG - Granite Belt Organic Growers Group is not a Co-op it is a Community Association. I think legislation spells out the difference.



3. The Council Papers, to this Individual, are becoming just propaganda not dissimilar from the old SWP (Socialist Workers Party) newspaper - without the budget.

4. Couching Co-operatives in terms of a movement and considering topics such as "Keeping Co-ops clean of opportunism" reeks of old style Bolshevism on a grand scale (I nearly fell off my chair when I read that one).

5. I note Anthony's name appears upon last count 63 times in this latest edition. Possibly I exaggerate but not much. He is quoted, reported, noted. This would seem to be a worrying sign for both the group and to Anthony himself. Lenin had been dead for years and Stalin kept quoting him, noting him and reporting him.

6. A fairly negative view of society would seem to underpin much of what goes on at the CCC ie "Are co-ops a realistic option in our greed, individualistic society?" (Is that a cliché or what?) and the 3-D politics articles of Merv Partridge - "As the atrophy of community comes to be more widely perceived ..."

I ploughed thru the 1st article and found I disagreed with most of it. The 2nd one fills me dread.

I cannot believe the difference between the city and regional Australia is so great. But I find there is definitely a feeling of community up here. There are plethora of community groups that every man, women and their dog seem to be involved in. And even if they are not involved in any group still consider themselves part of a community.

7. Governments are not oblivious to communities as M. Partridge would suggest. One government policy initiative of which I have some experience is "Landcare". One of the great federal labor party initiatives to enfranchise local communities everywhere for a practical purpose which has so far not been stymied by bureaucrats or political adversaries.

as response. I was under the impression that the CCC in its educative role might be interested in putting the case for cooperatives to Biofarmers. But I got it wrong the CCC is a mere propaganda unit.

P.P.S If Anthony is Lenin and Merv Partridge is Trotsky it behoves both of them and the group to find out who Stalin is quick smart.

16 December, 1995

Dear Stephen,

Your recent letter was received and discussed at the last council meeting on December 2, 1995. The council made the following response.

1. Use of the term 'correspondent' intended 'one who writes to' the CCC, as you have done on a number of occasions, not 'one who writes for' the CCC. We did not intend to include you as an agent of the council. We regret that this confusion may have occurred. Also, the term indicates, in the format of the minutes, that submission of the agenda item was in writing, not in person.

2. The published response to your letter was 'meeting comment', not editorial. Your letter made no specific request for action by the council over the BFA proposals. The sufficiency of the meeting's response is open to further consideration in the council. We may yet seek to do more in regard to BFA through our work on both legislative change and education.

3. We acknowledge and accept your advice that GBOG is not a cooperative. There were two references to GBOG in the papers - one with and one without the appendage. We consider that the use of the title 'co-op' in the first reference was inaccurate, but that it happened within a reasonable margin for error, due to the following:

8. I see the CCC being positive in the areas of legislative renovation and education.

I have included a photocopy of another group who think our society is rotten - the Jehovah's Witnesses. They also have an answer.

Yours sincerely,  
S. Hollingsworth  
(Individual)  
P.O. Ballandean,  
4382

P.S. When I advised the CCC of Biofarmers intention I didn't expect a bit of editorial comment

## Letters

- ◆ GBOG has advised previously that it was considering a 'cooperative structure'.
- ◆ GBOG appears to remain an 'unincorporated association' and therefore not legally covered by any Act of incorporation.
- ◆ Legal definitions are not the only means of assessing whether a group is cooperative, especially where legislation is deficient - principles and practices are equally defining.
- ◆ Mail to GBOG has previously included the title 'co-op', without correction or advice to the contrary from the association.

The council fully accepts the self-definition of GBOG and is now clear that in legal terms it approximates an association not a cooperative. The CCC shall cease all reference to GBOG as a co-op and has removed it from the mailing list for free council papers to cooperatives, as is appropriate.

4. The council invites dialogue between you and its members on the views that you expressed in your letter. The door is open to you to initiate such arrangements as will be mutually suitable.

A. Esposito, Secretary (on behalf of the council)

7 November, 1995

Bardon Parish Credit Union

Dear Shari,

I am writing in response to your recent phone call requesting more information about the CCC for your Board.

Firstly, I would like to draw your attention to the Secretariat report in the Council Papers, cycle 6, issue 1, page 3, which I sent you. This illustrates our recent activity. There are a few things that can be added to this. More will be said in the next issue of the Council Papers which I will send to you in about a fortnight.

### Legislation

We have been researching this area and establishing contacts with the aim of contributing to any move towards new cooperatives legislation in Queensland. This work is quite well advanced and we are maintaining a dialogue with the consultant to the Cooperative Federation of Queensland (CFQ) who is developing their proposals and political strategy for legislative change.

### Education

The CCC is the body responsible for organising Cooperative Education Events for community cooperators in, primarily, the SEQ region. These events have been running now for ten years as an annual occasion. We are in the process of reviewing



## Letters

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them with a view to the possibility for more such events.

### Regional strategic issues

Aside from the matters of legislation, which we view in part as a regional development issue, we are looking at proposals under the umbrella of "community capital". We see this concept as being directly related to credit unions and their role as 'community organisations' with social and economic agendas. This is one aspect of our aim to see financial capabilities for the regional development of cooperative and community enterprises.

### Networks, alliances and federations

We are currently exploring the issues of 'cooperation between cooperatives'. The CCC provides an opportunity to be a part of and to develop a communications network for the cooperative movement in our region. It also provides a coordinating focus for specific-purpose alliances, such as in the area of legislation. We are examining federal principles as they may apply to the regional cooperative community.

### Democratic forum

By consistently maintaining our bi-monthly forums we feel that we can assist the intellectual development of our movement. These forums can facilitate the discussion of cooperative ideas without the pressures of responding to day-to-day, individual operations. They facilitate an understanding of cooperatives in a politically detailed way and offer an avenue for self-organisation by active cooperators in the regional movement.

I hope this gives you more understanding of the CCC and its work. I extend an offer to address a board meeting and answer questions you may have. Please let me know if this suits you. Alternatively, I may arrange a discussion evening for representatives of the cooperatives currently associated with the CCC, to which you would be invited.

*Secretary, the CCC*

continued from page 9

efit, form a cooperative to engage in a particular commercial, farming or industrial activity in which they are keenly interested, and that cooperative venture fails, why should Parliament deny them the right to make such an attempt? In effect the minister wants to interfere with free enterprise when it relates to the little man but he is prepared to protect big companies who can start off with seven members or less, who can - and do - form private companies or public companies and engage in big business and have large sums of share capital, and can fleece the public ... They are all protected by the Companies Act, but the seven little men who want to have a go for their own money, the Minister will stop.

"It is my firm belief at the moment - and it has been further cemented by the fact that the Government and the Minister in particular are bludgeoning this Bill through - that the legislation is in keeping with the principles and policies of the Government parties. It is to advance the interests of big companies and to kill, as far as possible, any cooperative that wants to start in business.

Bennett enlarged his argument: "Since Australia was first settled and we commenced production there has been a desire among Queenslanders in particular, and Australians in general, to work together in the basic spirit of cooperation. In the ordinary working life in the community, where we do not have strict cooperatives, there are various voluntary community developments formed through the spirit of working together. I might remind the Minister once more that many successful cooperative movements in our state's develop-

ments have been formed with seven members. The principle of increasing the membership to 25 should be closely and carefully looked into. Certain progress associations, school committees and community organisations, operate successfully with seven people, or a few more".

This was to become an important concern in years to come. The 25 member provision has come to hamper the development of some cooperatives, particularly in the area of community, enterprise and employee controlled cooperatives. The social problem of unemployment in the 1990s, almost of no consequence when the Act was first introduced, demands that legislation be reviewed. It remains a serious question why, when there was such concern for the potentially wide ramifications of the legislation, and the fact that it was introduced and passed in haste, that there has been no substantial reviews or evaluations of the effects and limits of the Act.

The development of retail trading in favour of large companies and away from cooperatives and small businesses suggests that the Act not only retarded mutual buying groups but cut off at its source the growth of a major cooperative retailing

sector in the consumer cooperative tradition. The fact is the Act addressed what was regarded as a rural issue - Delamothé stated that "with the exception of housing cooperatives and credit unions ... virtually every successful cooperative in this state draws its membership from rural communities". While it remains strong and abiding, there is no longer a rural predominance in the cooperative movements of Australia and legislation should be updated to take account of demographic, social and economic changes.

The Bill, unprinted and unavailable to the Opposition and the community at large, was initiated on the 1st December 1967. It had its second and third readings on the 7th December 1967 - 6 days later. It received the assent of the Governor on the 19th December 1967. The Cooperative and Other Societies Act 1967 replaced the Cooperative Societies Act 1946 to 1962. It is still in operation today.

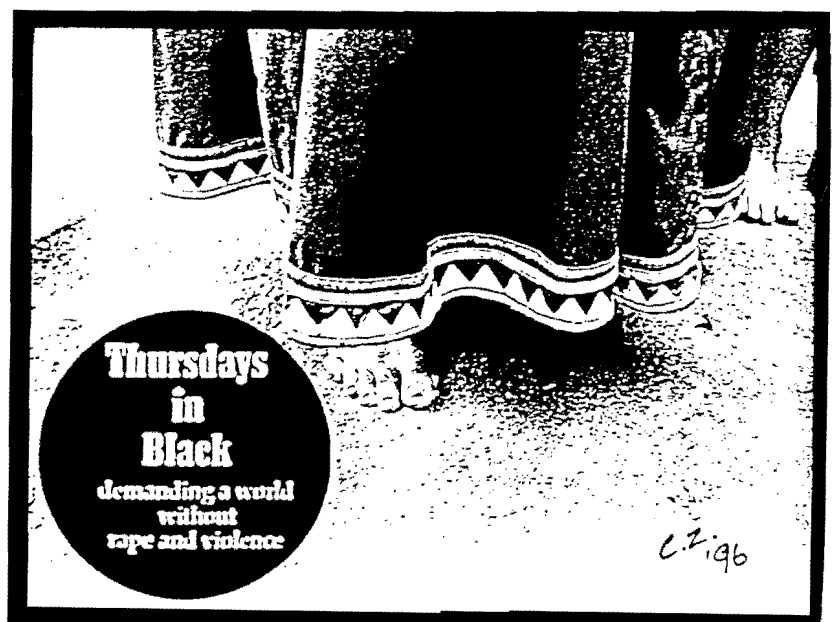
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Anthony Esposito

Source: Queensland

Parliament Hansard

1967



**Thursdays  
in  
Black**

**demanding a world  
without  
rape and violence**

C.Z. 196